

AMENDED IN ASSEMBLY AUGUST 25, 2005

AMENDED IN SENATE APRIL 12, 2005

SENATE BILL

No. 792

Introduced by Senator Chesbro

February 22, 2005

An act to amend Section 14556.50 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 792, as amended, Chesbro. North Coast Railroad Authority.

Existing law creates the North Coast Railroad Authority to own and operate the former Northwestern Pacific Railroad between Napa and Humboldt Counties. Existing law, pursuant to the Transportation Congestion Relief Program (TCRP), designates \$60 million in TCRP funds for projects to repair and upgrade tracks to Class II standards. Existing law imposes various requirements on the allocation of these funds, with \$5.5 million reserved to fund repayment of the authority's federal loan obligation.

This bill would revise these provisions to allow reallocation of the \$5.5 million reserved for loan repayment to other authority purposes ~~if federal legislation is enacted that forgives repayment of a \$12 million federal loan to the authority~~, *with \$4 million allocated to environmental cleanup and the remainder allocated to administrative responsibilities.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The North Coast Railroad Authority (NCRA) seeks state
4 funding for the following activities:

5 (1) NCRA is responsible for 316 miles of right-of-way from
6 Lombard in Napa County to Samoa in Humboldt County. Until
7 the railroad is fully operational, NCRA is responsible for
8 emergency maintenance issues such as strengthening of levees,
9 repair of bridges, repair of culverts and flood-related damage,
10 vegetation and weed abatement that may present a fire hazard,
11 and general cleanup of debris along the right-of-way that runs
12 through several north coast cities. NCRA must also maintain and
13 manage over 100 private crossings involving easements, leases,
14 and other private encroachments on NCRA property.

15 (2) In 1999, the Mendocino Superior Court ordered NCRA to
16 clean up nine rail yards between Eureka in Humboldt County and
17 Hopland in Mendocino County. NCRA is charged with the
18 responsibility of managing this cleanup which is partially
19 complete. The surface cleanup of scrap metal, railroad ties,
20 abandoned vehicles, steel drums, and hazardous waste was
21 complete in September 2004. In 2005, NCRA is to initiate and
22 manage the subsurface cleanup of all nine sites.

23 (3) Capital funding is needed to repair track, bridges, crossing
24 signals, culverts, and bank stabilization. NCRA must secure and
25 manage the capital grants necessary to make the needed repairs.
26 Once repairs are made and the Federal Railroad Administration
27 lifts Emergency Order 21, NCRA will be well-placed to secure
28 an operator.

29 (4) Pending capital grants approved for NCRA include seven
30 million nine hundred thousand dollars (\$7,900,000) from FEMA,
31 eight million nine hundred thousand dollars (\$8,900,000) from
32 ISTEA, and forty-two million dollars (\$42,000,000) from the
33 TCRP. NCRA estimates an annual need of an additional five
34 hundred thousand dollars (\$500,000) to adequately address the
35 above-referenced objectives.

36 (5) NCRA could utilize five hundred thousand dollars
37 (\$500,000) in the 2005-06 fiscal year, with additional sums to be
38 held in an interest-bearing account in the Sonoma County

1 Auditors Office. All expenditures from this account would be
2 subject to annual single-year audits in accordance with
3 government accounting standards.

4 ~~(6) Federal legislation is under consideration by Congress that~~
5 ~~would forgive twelve million dollars (\$12,000,000) in federal~~
6 ~~loans to NCRA, and enactment of this legislation would allow~~
7 ~~the reallocation of state TCRP funds dedicated to federal loan~~
8 ~~repayment.~~

9 *(6) Federal transportation legislation was enacted this year*
10 *that, among other actions, forgives twelve million dollars*
11 *(\$12,000,000) in federal loans to NCRA and would allow either*
12 *reallocation of state TCRP funds dedicated to federal loan*
13 *repayment or reversion of these funds to either the*
14 *Transportation Investment Fund or the state General Fund.*

15 (b) It is the intent of the Legislature to provide the necessary
16 funding to facilitate the accomplishment of these objectives by
17 authorizing reallocation of existing funding commitments to
18 NCRA.

19 SEC. 2. Section 14556.50 of the Government Code is
20 amended to read:

21 14556.50. The grant authorized under paragraph (32) of
22 subdivision (a) of Section 14556.40 shall be allocated as follows:

23 (a) (1) Two hundred fifty thousand dollars (\$250,000) to
24 defray the administrative costs of the North Coast Railroad
25 Authority, allocated directly to the authority as directed by the
26 commission at its first scheduled meeting immediately upon
27 enactment of the Budget Act of 2000.

28 (2) Two hundred fifty thousand dollars (\$250,000) to defray
29 the administrative costs of the authority, allocated directly to the
30 authority as directed by the commission within six months from
31 the date of enactment of the Budget Act of 2000.

32 (3) Five hundred thousand dollars (\$500,000) to defray the
33 administrative costs of the authority, allocated to the authority as
34 directed by the commission, within one year from the date of
35 enactment of the Budget Act of 2000, if the commission
36 determines that additional funding is needed by the authority as
37 directed by the commission at its first scheduled meeting for
38 administrative costs.

39 (b) Six hundred thousand dollars (\$600,000) to fund
40 completion of the authority's rail line from Lombard to Willits,

1 allocated directly to the authority immediately upon enactment of
2 the Budget Act of 2000.

3 (c) One million dollars (\$1,000,000) to fund completion of the
4 authority's rail line from Willits to Arcata, allocated to the
5 authority as directed by the commission, within six months from
6 the date of enactment of the Budget Act of 2000.

7 (d) Five million dollars (\$5,000,000) to fund the upgrade of
8 the authority's rail line to Class II or III status, allocated to the
9 authority as directed by the commission.

10 (e) Four million one hundred thousand dollars (\$4,100,000)
11 for environmental remediation projects, allocated to the authority
12 as directed by the commission, within six months from the date
13 of enactment of the Budget Act of 2000.

14 (f) Ten million dollars (\$10,000,000) for the authority's debt
15 reduction, allocated to the authority as directed by the
16 commission, within six months from the date of enactment of the
17 Budget Act of 2000.

18 (g) One million eight hundred thousand dollars (\$1,800,000)
19 for use by the authority as local match funds, allocated to the
20 authority as directed by the commission.

21 (h) (1) Five million five hundred thousand dollars
22 (\$5,500,000) to fund repayment of the authority's federal loan
23 obligations, to be allocated to the authority. However, if federal
24 legislation is enacted that directs the Federal Highway
25 Administration (FHWA) to forgive repayment of a loan from
26 FHWA to the authority in the amount of twelve million dollars
27 (\$12,000,000), three million five hundred thousand dollars
28 (\$3,500,000) of the amount to be allocated under this subdivision
29 shall instead be allocated to the authority to fund the be allocated
30 to the authority, of which four million dollars (\$4,000,000) shall
31 be allocated to the authority to fund the remainder of the
32 authority's cleanup obligations under the environmental
33 remediation consent decree, and the remainder shall be allocated
34 to the authority for its administrative responsibilities. The
35 authority may not expend more than five hundred thousand
36 dollars (\$500,000) annually from these funds for its
37 administrative responsibilities.

38 (2) Any funds remaining unexpended from the allocation in
39 paragraph (1) as of June 30, 2009, shall be transferred to the
40 General Fund.

1 (i) Thirty-one million dollars (\$31,000,000) for long-term
2 stabilization projects, allocated to the authority as directed by the
3 commission.

O